

2010
Important Notice Regarding Illinois Estate Tax and Fact Sheet
October 18, 2010

Based upon the current reading of the Illinois Estate Tax Act as last amended, there is no Illinois estate tax or returns due at this time for 2010 decedents as a result of Federal inaction to extend the Federal estate tax for decedents dying during the calendar year 2010. The confusion over the issue of Federal and Illinois estate taxation in 2010 is predicated upon the passage of the Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16), effective June 7, 2001, which created a one- year repeal of the Federal estate tax in 2010. It is still possible that the Illinois General Assembly or Congress may pass legislation that would retroactively impose an estate tax for individuals dying in 2010. The Illinois Attorney General's Office therefore reserves any express opinion regarding the passage of any pending Federal or Illinois legislation proposed on the issue of the imposition of an estate tax on 2010 decedents. Practitioners, including attorneys, accountants, executors, administrators, trustees, and transferees of decedents dying in 2010 may find it beneficial and informative to view the Frequently Asked Questions posted on the Internal Revenue Service (IRS) website located at <http://www.irs.gov/businesses/small/article/0,,id=224519,00.html> regarding the filing and acceptance of Federal estate tax returns and payments of Federal estate tax for 2010 decedents.

As of October 15, 2010 there is no Illinois estate tax for individuals dying in 2010. While it is possible that the General Assembly could act to reinstate the tax retroactively to cover individuals dying on or after January 1, 2010, unless and until that happens, no Illinois estate tax return should be filed for 2010 decedents. If you wish to protect yourself against late-filing or late-payment penalties, should the tax be retroactively reinstated, you may file a request for extension.

Finally, attorneys, accountants, executors, administrators, trustees, and transferees of decedents dying in 2010 remain responsible for monitoring both federal and Illinois legislative action relating to the estate tax and are solely responsible for complying with any federal or state law that would have the effect of imposing an Illinois estate tax during any portion of 2010.